

## SUMMARY RISK INDICATOR



The risk indicator assumes you keep the product for 3 years in accordance with the recommended holding period.

## INVESTMENT OBJECTIVE

Tikehau SubFin Fund invests in the entire European market of subordinated financials, and its investment strategy consists of actively and discretely managing a diversified portfolio composed mainly of subordinate debt instruments: Legacy Tier 1, Tier 2, Additional Tier 1/CoCo, etc.

## KEY FIGURES - 04/30/2024

NAV : € 125.08  
AuM : € 398m  
Yield to maturity : 7.3%  
Yield to worst<sup>1</sup> : 7.1%  
Volatility (last 12 month rolling) : 3.1%  
12 month rolling volatility computed from daily data

## MAIN CHARACTERISTICS OF THE FUND

ISIN Code : LU1585264846  
Bloomberg Ticker : TIKSFSE LX Equity  
Fund's inception : 07/02/2011  
Portfolio Manager(s) : Thibault Douard, Benjamin Pesquier  
Legal form : Sicav Luxembourg  
Morningstar's classification : EUR Subordinated Bond  
Reference currency : EUR  
Allocation of results : Accumulation  
Custodian : CACEIS Bank Luxembourg

## MAIN ADMINISTRATIVE FEATURES

Entry / Exit fees : Please refer to the Sub-Fund's prospectus and KID to obtain all the information regarding the terms and operation of the Sub-Fund.  
Management fees : 0.60%  
Performance fees : There is no performance fee for this product.  
Minimum of subscription : € 10,000,000.00  
Liquidity : Daily  
Subscription/Redemption : Daily before 12:00 pm (LUX)  
NAV : Unknown  
Payment delivery : D+2

## PROSPECTUS BENCHMARK

Annualized performance greater than ICE BofAML 3-5 Year Euro Government Index + 150 basis points, gross of management fees, over a minimum investment period of 3 years. The Sub-Fund is actively managed and refers to a benchmark indicator exclusively as an ex-post performance indicator and, where relevant, for the purpose of calculating the performance fee.

## PERFORMANCES

Past performance does not predict future results, displayed net of management fees in the Sub-Fund's reference currency (according to the currency of the State of residence of the investors, the returns may increase or decrease as a result of currency fluctuations). The achievement of the investment objective is not guaranteed.

## RISKS

The main risks of the Sub-Fund are the risk of capital loss, counterparty risk, liquidity risk, sustainability risk and credit risk (the Sub-Fund can invest 100% of its assets in bonds with low credit quality, it therefore carries a very high credit risk). For a full and detailed description of all risks, please refer to the Sub-Fund's prospectus available on the Company's website. The materialisation of one of these risks could lead to a drop in the Sub-Fund's net asset value.

Please refer to the Sub-fund's prospectus to obtain all the information regarding the terms and operation of the Sub-fund.

<sup>1</sup> Source: TIM, calculated from estimated repayment dates to date.

Please refer to the fund's prospectus and KID, and if necessary, contact your usual advisor before making any final investment decision.

## NEWSLETTER APRIL 2024

# TIKEHAU SUBFIN FUND – S-ACC-EUR

## MARKET OUTLOOK

**Macro/Political outlook.** US macroeconomic data confirms the trend seen in recent months with leading indicators pointing to sustained growth despite the first signs of a slowdown, while inflation figures, although down sharply compared to levels of the last two years, remain above target and stable over the last few months. The trend is more or less the same in Europe, with growth indicators picking up again (albeit from a lower base) and disinflation running out of steam somewhat, leaving the ECB more room for manoeuvre. Finally, we note a welcome de-escalation in the Middle East, after fears of a wider conflict following Iranian reprisals against Israel.

The Fed has admitted that disinflationary movement has probably stagnated but is refusing to talk about potential rate hikes. The key rates therefore remain unchanged, and a first cut is still possible in June. The slowdown in the reduction in the size of the Fed's balance sheet is noteworthy, which is positive for the US banking sector. The ECB meeting, meanwhile, was a non-event, with the institution reiterating its preference for waiting for more data before possibly cutting rates in June.

**Market performance.** Unsurprisingly, this macroeconomic context weighed on risky assets after a very buoyant first quarter. After reaching all-time highs in March, the equity markets fell (S&P 500 down 4.1% in USD, Nikkei down 4.4% in JPY, Stoxx600 down 0.8% in EUR), affected by the rise in rates. The US 2-year closed at a high of 5.03% (up 41bps over the month) and the 10-year at 4.68% (up 48bps), while the German 2-year closed at 3.03% (up 18bps) and the 10-year at 2.58% (up 29bps). Credit indexes were also down, with the IG ER00 index posting a negative performance down 0.82%, while the European HY HECO index remained stable (0.00%), less affected by rates, and the CDS HY Crossover index ended at 318bps (up 10bps in April). The CoCo index fell by 0.91% and the Tier 2 EBSL index by 0.54% over the month.

**Results and sector news.** The Q1 results season has started on a positive note. Publications from Nordic, Spanish and British and American banks (among others) once again confirm the robustness of the sector: resilient loan portfolios and solvency ratios at levels deemed comfortable, supported by profitability that remains buoyant thanks to high interest rates and a low cost of risk.

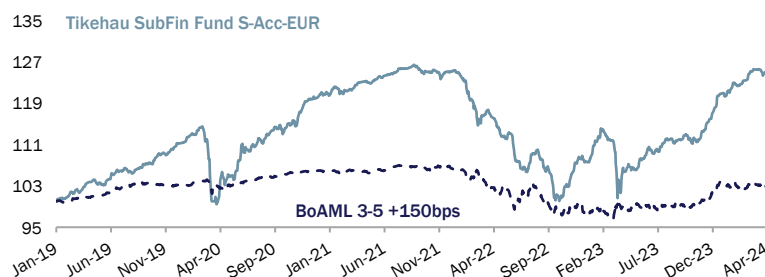
The Swiss Federal Council has published its report on the stability of the national banking system and the 'Too Big To Fail' regulation, following the events surrounding Credit Suisse in March 2023. The report includes a number of proposals relating to prevention, liquidity, and crisis management regimes, and will serve as a basis for new regulations expected by 2025. A rise in regulatory capital reserves is expected for UBS, which could affect its policy of distributions to shareholders - a positive development for creditors.

Mergers and acquisitions are making a comeback: first in the UK with the mergers between Nationwide and Virgin Money and between Coventry and Coop Bank, then in Spain with BBVA's offer to buy Sabadell (30% premium) after a first unsuccessful attempt in 2020.

**Primary market and fund activity.** Around €5.3bn of new subordinated bonds were issued, mainly Tier 2 (€3.45bn from banks, €1.25bn insurance). Only AIB was active in the AT1 segment: €625m issued at 7.125% in connection with a buyback offer on the 5.25% bond - we participated in the new issue and the buyback offer. AT1 redemptions are continuing, with Virgin Money, Intesa, Santander UK, Lloyds and CaixaBank all announcing bond calls in the coming months. Rabobank is also repurchasing part of its certificates (€916m out of a total tranche of €7.8bn) at what we consider to be an attractive premium of around five points, so we have added our exposure to the repurchase offer. The fund's main aggregates remain stable, with the cash reserve increasing slightly following the redemption of certain bonds.

Source: Bloomberg, Tikehau IM, data as of 30/04/2024.

## NET ASSET VALUE EVOLUTION



## PERFORMANCES

Past performance does not predict future returns

| ANNUAL PERFORMANCES           | 2023   | 2022   | 2021  | 2020  |
|-------------------------------|--------|--------|-------|-------|
| Tikehau SubFin Fund S-Acc-EUR | +12.4% | -14.2% | +4.2% | +8.1% |
| BoAML 3-5 +150bps             | +6.7%  | -8.6%  | +0.3% | +2.8% |

| ROLLING PERFORMANCE | 1 month | 3 months | 6 months | YTD   | 1 year | 18 months | 3 years | 5 years | Inception |
|---------------------|---------|----------|----------|-------|--------|-----------|---------|---------|-----------|
|                     | -0.3%   | +1.9%    | +11.3%   | +3.5% | +17.4% | +21.4%    | +1.6%   | +20.2%  | +25.1%    |

Source : Tikehau Investment Management, data as of 04/30/2024.

### RISK INDICATORS & ACTUARIAL DATA

Number of issuers : **86**  
Currency Risk : **hedged**  
Modified duration<sup>1</sup> : **2.5**  
Spread Duration<sup>1 & 2</sup> : **2.8**  
Average coupon<sup>3</sup> : **6.9%**  
Average rating<sup>4</sup> : **BB+**

<sup>1</sup> Source: TIM, calculated from estimated repayment dates to date.

<sup>2</sup> Indicator measuring the impact of the issuers' spreads variation on performance

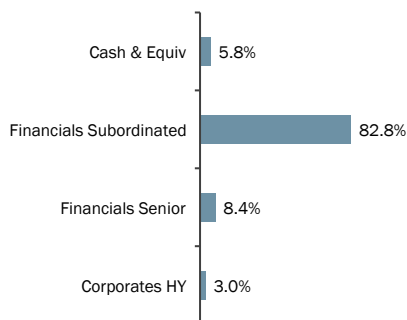
<sup>3</sup> Figure calculated on the portfolio, ex-cash

<sup>4</sup> Figure calculated on the portfolio, cash included

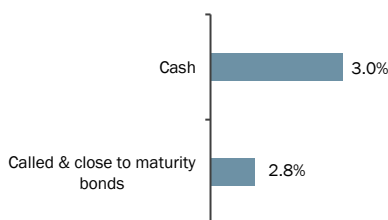
### TOP 10 ISSUERS

|                           |      |
|---------------------------|------|
| BARCLAYS                  | 4.3% |
| AIB GROUP                 | 3.2% |
| BANCO COMERCIAL PORTUGUES | 2.8% |
| CAIXABANK                 | 2.8% |
| COMMERZBANK AG            | 2.8% |
| BNP PARIBAS               | 2.6% |
| INTESA SANPAOLO           | 2.6% |
| DEUTSCHE BANK             | 2.4% |
| ABANCA                    | 2.0% |
| BANCO DE CREDITO SOCIAL   | 2.0% |

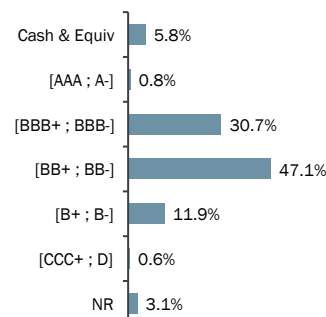
### BREAKDOWN BY ISSUERS TYPE



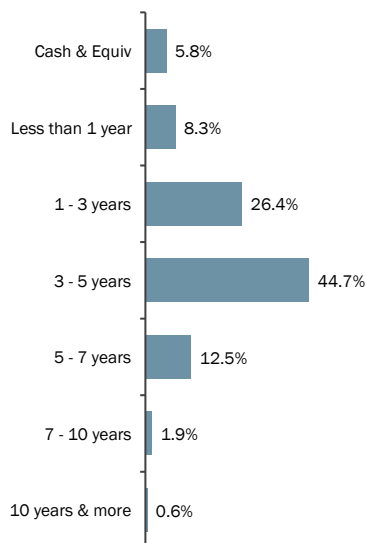
### BREAKDOWN CASH & SHORT TERM INVESTMENTS



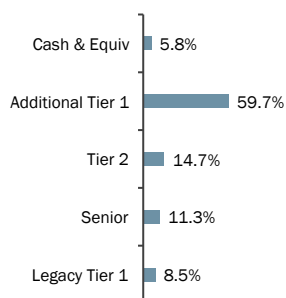
### BREAKDOWN BY RATINGS - ISSUANCES



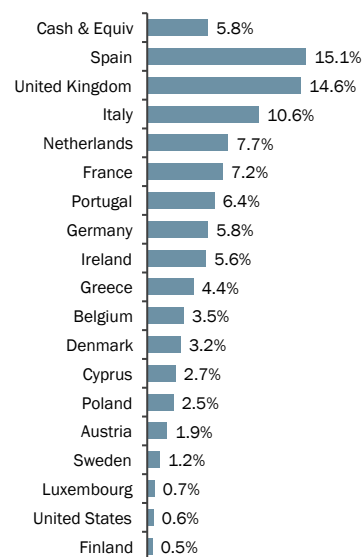
### BREAKDOWN BY MATURITIES



### BREAKDOWN BY INSTRUMENT TYPE



### BREAKDOWN BY COUNTRY



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